

Senate File 6 - Introduced

SENATE FILE 6
BY HOGG

A BILL FOR

1 An Act increasing the maximum balance authorized for the Iowa
2 economic emergency fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.54, subsection 5, Code 2013, is amended
2 to read as follows:

3 5. For fiscal years in which it is anticipated that the
4 distribution of moneys from the Iowa economic emergency fund
5 in accordance with section 8.55, subsection 2 2A, will result
6 in moneys being transferred to the general fund, the original
7 state general fund expenditure limitation amount provided for
8 in subsection 3 shall be readjusted to include the amount of
9 moneys anticipated to be so transferred.

10 Sec. 2. Section 8.55, subsection 2, Code 2013, is amended
11 to read as follows:

12 2. The maximum balance of the Iowa economic emergency fund
13 is the as follows:

14 a. For the fiscal year beginning July 1, 2013, an amount
15 equal to ~~two and one-half~~ five percent of the adjusted revenue
16 estimate for the fiscal year.

17 b. For the fiscal year beginning July 1, 2014, and
18 succeeding fiscal years, an amount equal to seven and one-half
19 percent of the adjusted revenue estimate for the fiscal year.

20 2A. If the amount of moneys in the Iowa economic emergency
21 fund is equal to the maximum balance, moneys in excess of this
22 amount shall be distributed as follows:

23 a. The first sixty million dollars of the difference between
24 the actual net revenue for the general fund of the state for
25 the fiscal year and the adjusted revenue estimate for the
26 fiscal year shall be transferred to the taxpayers trust fund.

27 b. The remainder of the excess, if any, shall be transferred
28 to the general fund of the state.

29 Sec. 3. Section 8.58, Code 2013, is amended to read as
30 follows:

31 **8.58 Exemption from automatic application.**

32 1. To the extent that moneys appropriated under section
33 8.57 do not result in moneys being credited to the general
34 fund under section 8.55, subsection 2 2A, moneys appropriated
35 under section 8.57 and moneys contained in the cash reserve

1 fund, rebuild Iowa infrastructure fund, environment first
2 fund, Iowa economic emergency fund, and taxpayers trust fund
3 shall not be considered in the application of any formula,
4 index, or other statutory triggering mechanism which would
5 affect appropriations, payments, or taxation rates, contrary
6 provisions of the Code notwithstanding.

7 2. To the extent that moneys appropriated under section
8 8.57 do not result in moneys being credited to the general fund
9 under section 8.55, subsection 2 2A, moneys appropriated under
10 section 8.57 and moneys contained in the cash reserve fund,
11 rebuild Iowa infrastructure fund, environment first fund, Iowa
12 economic emergency fund, and taxpayers trust fund shall not be
13 considered by an arbitrator or in negotiations under chapter
14 20.

15 EXPLANATION

16 This bill increases the maximum balance of the Iowa economic
17 emergency fund in Code section 8.55 over a two-year period.
18 Under current law, the maximum balance for the fund is 2.5
19 percent of the adjusted revenue estimate for the fiscal year.
20 For the fiscal year beginning July 1, 2013, the percentage is
21 increased to 5 percent and for succeeding fiscal years the
22 percentage is increased to 7.5 percent.

23 The term "adjusted revenue estimate" is defined in Code
24 section 8.54 to mean the appropriate revenue estimate for the
25 general fund of the state for the fiscal year as determined by
26 the revenue estimating conference under Code section 8.22A,
27 subsection 3, by December 15 of the preceding fiscal year or
28 later if there is a reduction in the estimate, as adjusted by
29 subtracting estimated tax refunds payable from that estimated
30 revenue and as determined by the conference, adding any new
31 revenues which may be considered to be eligible for deposit in
32 the general fund of the state.

33 Under Code section 8.57, subsections 1, 2, and 3, the surplus
34 existing in the general fund of the state at the conclusion
35 of a fiscal year is appropriated for distribution in the

1 succeeding fiscal year to the cash reserve fund and then the
2 Iowa economic emergency fund.

3 References to the subsection providing for transfer of
4 moneys from the Iowa economic emergency fund after the fund has
5 reached its maximum balance are revised to reflect renumbering
6 of the subsection by the bill in Code section 8.54, relating
7 to the state general fund expenditure limitation, and Code
8 section 8.58, exempting moneys appropriated for various reserve
9 funds from application any formula, index, or other statutory
10 triggering mechanism which would affect appropriations,
11 payments, or taxation rates and from consideration by an
12 arbitrator or in negotiations under public employee collective
13 bargaining.